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Good afternoon. It is a genuine honor and pleasure to be here today. There are many gatherings on Latin American and Caribbean issues, but few if any can boast the quality and resonance of CCAA's Annual Miami Conference.

CCAA held its first conference in 1976, and I understand that many of you have been attending for 10, 20, even 30 years. I would imagine, however, that 20 or 30, or even just a few years ago, hardly any panelists were describing the relationship between Latin America and the Caribbean as a genuine, equal partnership.

Today, however, as the countries of the Americas have become more prosperous, more democratic, and more independent, the conditions exist for an equal partnership to address shared challenges. As President Obama said at the Summit of the Americas in Trinidad last year, "There is no senior partner or junior partner in our relations; there is simply engagement based on mutual respect and common interests and shared values."

Equal partnership is the guiding principle of the Obama Administration's policy toward the hemisphere. It is also the guiding principle of USAID's work in Latin America and the Caribbean.

With the dramatic political and economic advances in this hemisphere in recent years, matched across much of the globe, the Obama Administration has taken a fresh look at how the United States promotes development. Two months ago, President Obama issued a global development policy, the first ever by an American President, outlining our new approach. The policy breaks new ground by elevating development to the level of diplomacy and defense as a core pillar of the United States' national security strategy. And it calls for a fundamental reorientation of foreign assistance – from an emphasis on

providing services to strengthening the capacity of governments and other private organizations to provide for their own citizens.

Today I would like to elaborate on two key tenets of the President's policy that will guide how the United States will advance development in Latin America and the Caribbean in the coming years. The first is focus and selectivity; the second is sustainability.

Focus and selectivity is the recognition that we can't do everything, everywhere. Our development assistance needs to be targeted toward fewer countries and in fewer sectors in the countries where we operate. Especially in a challenging fiscal environment, we need to think hard about where and how we can make a difference and get the greatest return on our investments. In determining where to make those investments, we need to answer a few basic questions:

- What are Latin America and the Caribbean's biggest development challenges?
- In what countries is there greatest need?
- In what sectors does USAID have a comparative advantage?
- Where are other international donors putting their resources?
- Does the host government have the political will to implement necessary reforms?
- Are there strong local private groups to collaborate with USAID?

By sustainability, we mean enhancing the capacity of local institutions to deliver lasting development. We want to shift from being a direct provider of services to empowering governments and local entities to deliver those services themselves. As President Obama said at the United Nations in September, the purpose of development is creating the conditions where assistance is no longer needed. In short, we need to endeavor to put ourselves out of business.

USAID currently has 16 offices in Latin America and the Caribbean. We want to be on a trajectory to 0. We won't reach that goal any time soon of course. There are numerous pressing development challenges, some of which will require that the United States intensifies and expands its level of engagement. And of course, we will continue to respond to natural disasters that create humanitarian

crises. But if we are truly committed to sustainable development, we need to have as our long-term objective the trimming and shedding of programs and offices.

I will not be the Assistant Administrator who turns out the lights on USAID's Latin America and Caribbean Bureau. That will be the task of a successor many years from now. But I want to help lay the groundwork for that to happen when the time is right. Success for a development agency is not about expanding budgets or greater numbers of programs; on the contrary, success means helping countries achieve their development objectives, reducing their reliance on foreign assistance and thereby *reducing* foreign aid budgets.

Under the leadership of Dr. Rajiv Shah, USAID has launched a set of reforms -- *USAID Forward* – that will enable the agency to be more focused and achieve sustainable development outcomes. Chief among these is a plan to direct more of our aid through local entities. The practice of employing skilled U.S. contractors to assist with the implementation of our programs will continue, when appropriate. But we also intend to work more directly with host country governments, the private sector, and civil society. In so doing, we will not only leave behind greater local capacity, we will save money.

The countries of Latin America and the Caribbean are uniquely positioned to be a showcase for USAID's reforms. Not so long ago, our programs in the region were designed in the context of civil wars, authoritarian rule, poor economic management and low human development. Today we are operating in an entirely different environment typified by well-managed economies, democratically elected governments, an active civil society and dynamic private sector, and access to basic health services and education. The region has more effective and efficient governments and independent institutions with whom we can partner to confront shared challenges.

If we have a singular goal in Latin America and the Caribbean, it is **to strengthen the capacity of governments, the private sector, and NGOs to expand economic opportunity, strengthen democratic governance and improve citizen security.**

Expanding economic opportunity and strengthening democracy are longstanding development goals, and they are the two principle priorities identified by President Obama in his policy directive. Although

countries in Latin America and the Caribbean have made great advances in both areas in recent years, economic progress today is being impeded as organized crime and drug traffickers exploit continued social inequalities.

These scourges feed on despair and threaten to undermine all the efforts of USAID, other donors and the countries themselves to create more prosperous and democratic societies. Crime discourages investment, corrodes democratic institutions and undermines public faith in democracy. Violence destroys communities, obstructs economic development and siphons off resources that could otherwise be invested in social services.

Latin America and the Caribbean is now the most violent region in the world, with an average homicide rate of two-and-half times the global average. Recent polls show that crime is the public's top concern in most countries and is eroding confidence in democracy.

As the region's leaders develop new strategies to counter the crime wave, it is in our national interest to support their efforts. The flow of drugs through the Caribbean and Central America often continues into this country, harming our youth and sapping strength and resources from our communities. In an increasingly globalized world, organized crime, like disease and environmental degradation, manages to penetrate borders. When neighboring governments are weakened, their problems become ours as well.

Beyond self-interest, the United States has an obligation to help Latin America and the Caribbean combat organized crime and drug trafficking. As Secretary Clinton has noted, the demand for drugs in the United States drives much of the illicit drug trade, while guns purchased in the United States facilitate violence in Mexico and other neighboring countries.

For all these reasons, USAID is using the tools that we have developed over many decades to help other countries reduce violence and enhance citizen security. The Obama Administration has worked closely with Central American and Caribbean states to develop two new security partnerships: the Caribbean Basin Security Initiative, known as CBSI, and the Central American Security Initiative, known as CARSI. We are also building on the Bush Administration's Merida Initiative for Mexico – enhancing

the partnerships to disrupt cartels and strengthening institutions and communities vital to defending societies against transnational crime.

USAID's role in these programs is two-fold: to strengthen the capacity of judicial systems to fairly and effectively provide justice and to address the underlying socio-economic causes of crime. USAID supports comprehensive justice sector reform, helps countries reform their legal systems, improves the ability of local police to work together with communities, and provides positive activities and livelihoods for youth.

These efforts are complemented by our alternative development programs in countries where drugs are cultivated, such as Colombia and Peru, to encourage and assist farmers to grow legal crops.

In the coming months, we plan to continue to reorient our efforts in a number of countries in the region to focus on the challenge of security. Our overall development efforts will fall short if investors and entrepreneurs lack a stable and secure commercial environment and government institutions are undermined by corrupting influences.

If successful development depends upon establishing security, other assistance programs can mitigate the conditions under which criminal activity can flourish.

For example, the Obama Administration's agriculture initiative called Feed the Future helps combat hunger and poverty by increasing investments in research and innovative technologies for small-scale agriculture. Consistent with our emphasis on sustainability, we are not just handing out food aid. We are providing small farmers in Central America and Haiti with a path out of poverty by helping them improve their earning potential and purchasing power through the production of high-yield marketable crops and better access to local and international markets.

We are also combatting the world's most serious health problem – malnutrition – by providing water and sanitation, nutritional supplements, and hygiene education in places like the Western Highlands of Guatemala, where 67 percent of children under 5 years old are stunted.

Throughout Central America and the Caribbean, we are fortunate to have strong partners in government – partners we are helping to reach a point when they will no longer need foreign assistance. Historically, the development community has tended to associate governance programs with the training of Members of Congress or mayors. Such activities are important, to be sure, but economic and social development depends to a larger extent on the ability of a Ministry of Health to guarantee high-quality, affordable care or a Ministry of Education to ensure that children are being prepared for 21st century jobs. That is where our governance efforts should be focused.

At the same time, however, those ministries will not perform at the levels expected by citizens unless governments can generate revenues internally. Without an adequate tax base, governments cannot finance the services and infrastructure essential to building competitive economies. As Secretary Clinton has said, "we simply cannot support policies that reduce poverty and spread prosperity if the wealthiest among us are not doing their part."

Fortunately, all but one country in the hemisphere is an electoral democracy. But we are troubled by backsliding in some countries, where governments fearful of their own people restrict the rights of the media, civic organizations and political parties. We are particularly concerned about anti-democratic developments in Venezuela. We will vigorously defend and support individuals and organizations denied the right to organize politically and speak freely, and we invite other democracies to join us in that effort.

And of course, there remains a single outlier in the region where citizens are denied the most basic freedoms. President Obama has made it clear that this Administration remains committed to supporting the simple desire of the Cuban people to freely determine their future and to enjoy the rights and freedoms that define the Americas.

Progress on these and other development objectives is imperative for the region and for the United States. USAID's programs are not charity. They may reflect the generosity of the American people; but they are not only from the American people, as the agency's motto says, they are *for* the American people. A more prosperous, democratic and secure Americas is in our national interest. The United

States' national security strategy for Latin America and the Caribbean and its development strategy for the region are very much one and the same.

An example of the convergence of self-interest and generosity is our increasing use of public-private sector partnerships to advance development. For instance, in Central America, USAID is partnering with U.S. companies like Starbucks and Wal-Mart to expand markets for local agricultural products and improve access to credit for small businesses. These partnerships not only benefit the host countries; they also help U.S. companies tap into new markets.

Over time, we expect that other countries will become net donors in development, a process that is already underway. To mention just a few examples: Brazil is transferring knowledge, technology and financial aid to Ghana, Kenya and Zimbabwe. Chile is providing technical assistance to Caribbean countries to set up social safety nets. Colombia has been sharing important expertise and knowledge, gained in its fight against drug cartels, to Mexico and Central America.

The international community's engagement with Haiti is a prime example of the broadening universe of donors. Thirteen of the nineteen countries providing military forces to the United Nations Stabilization Mission in Haiti are from this hemisphere. Similarly, seven countries from this hemisphere have contributed resources to the post-earthquake relief and recovery effort.

I understand there are a series of Haiti sessions slated for tomorrow, but I would like to use this opportunity to say a few words about USAID's efforts in that country. Since the devastating earthquake of January 12, the United States has helped lead a global effort that has saved countless lives and has begun to build-up Haiti's capacity to deliver basic services and provide for the Haitian people over the long-term.

The response to the earthquake was the most aggressive and effective humanitarian response to a natural disaster in history. A few facts and figures underscore the magnitude of the effort: more than a 130 people rescued from the rubble, 3.5 million fed and 1.5 million provided with basic shelter.

In the aftermath of events like the Haiti earthquake, we at USAID measure our success in the tragedies averted and in the stories that do not get written. We helped avoid breakouts of diphtheria, polio and malaria, by vaccinating 1 million Haitians and distributing mosquito nets. We helped minimize the loss of life from Hurricane Tomas by stockpiling relief supplies, clearing drainage systems and building transitional shelters in advance of the hurricane season.

Building back Haiti will take time. But in some ways, the country is already in better shape than it was before the earthquake. More Haitians have access to clean water today than before the quake, and most Haitians report satisfaction with the quality of their health care.

To be sure, the cholera crisis has exacted an awful toll, with more than 2,000 deaths. But Haiti is actually better positioned to combat cholera today than it was before the quake because of the greater access to clean water and the network of international health providers operating throughout the country.

A great deal of work remains ahead, work that will take years to complete. Although millions of tons of rubble have been removed and Port au Prince's main streets are unclogged, much debris remains. That task, along with moving displaced Haitians out of tent camps and into homes, are our top two short-term priorities.

Long-term success will depend on Haiti rising to the challenges before it. We are committed, as President Obama pledged earlier this year, to building up Haiti's capacity to deliver basic services and provide for its people over the long term.

That in fact is already happening. Ministries that were decimated in the earthquake, losing personnel and facilities, are already performing admirably and providing vital services. The Ministry of Health is leading and coordinating the effort to combat the cholera epidemic. The National Directorate of Civil Protection oversaw preparations for Hurricane Tomas. And in a difficult environment, the Haitian National police are largely preserving the security gains made before the earthquake.

The outpouring of support from Americans for the Haitian people has been gratifying. On Capitol Hill, Democrats and Republicans came together to support immediate relief efforts and worked closely

with the Administration to develop a long-term reconstruction plan. I have had the opportunity to exchange views with staff members on both sides of the aisle in recent weeks, and I am confident that this bipartisan cooperation will extend to the range of USAID's portfolio in the region.

After all, there is not a Republican way or a Democratic way to improve crop yields. There is not a liberal or conservative method for vaccinating children. And ideology should not be a factor when we assess the most effective way to support brave citizens standing up to autocratic governments.

Working together – Democrats and Republicans; Americans, Latin Americans and citizens of the Caribbean – we will reach that day when a USAID assistant administrator can announce at a CCAA conference that the time has come to close our offices in the region.

Thank you. I look forward to your questions.